

# SUITABILITY AND SECURITY PROCESSES REVIEW

## *REPORT TO THE PRESIDENT*

### FEBRUARY 2014

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## EXECUTIVE SUMMARY

### INTRODUCTION

In the Fall of 2013, the President directed the Office of Management and Budget (OMB) to conduct a 120-day review of Federal employee suitability and contractor fitness determinations as well as security clearance procedures. This Review complimented related efforts of the Department of Defense (DoD) with respect to physical and personnel security and of the National Security Council (NSC) and OMB on access to and security of classified information.

This work was carried out by the Suitability and Security Clearance Performance Accountability Council (PAC). Chaired by OMB's Deputy Director for Management, the PAC includes the Director of National Intelligence (DNI) and the Director of the Office of Personnel Management (OPM), in their respective roles as Security and Suitability Executive Agents (see Appendix A). The Senior Review Panel (hereafter referred to as the Panel), comprised of representatives from OMB, ODNI, OPM, DoD, Department of Homeland Security (DHS), Department of Justice (DOJ), the Federal Bureau of Investigation (FBI), and the Information Security Oversight Office (ISOO), as well as representatives from the NSC, drove an intensive interagency review to assess risks inherent in the current security, suitability, and credentialing processes and identify recommended solutions to safeguard our personnel and protect our nation's most sensitive information.

The Review addressed suitability and security investigations for civilian, military, and contractor personnel. The same investigative and adjudicative standards apply to both Federal employees and contractors who receive clearances, as the work to protect our national security is no less critical when the work is performed by contractors. The Review also examined the work performed by each group in conducting these investigations. The current practice of utilizing contract investigators to collect relevant information is an appropriate practice and consistent with regulations, provided the necessary oversight, metrics, and controls are in place. Our recommendations include improvements in the areas of contractor oversight, accountability, and quality metrics going forward.

This Report presents a set of recommendations that establish new priorities for reform, while accelerating efforts already underway. These priorities include improving access to relevant information, especially state and local law enforcement records, and accelerating the shift to a continuous evaluation model across government; improving risk management approaches to reduce vulnerabilities in our current processes, including reduction of the total number of clearance holders and the backlog of periodic reinvestigations; and improving enterprise operations, to include strengthening oversight and government-wide implementation efforts while effectively managing limited resources. As part of its ongoing responsibilities, the PAC

will be accountable for driving these changes and holding agencies accountable for implementing approved recommendations.

This Report first gives an overview of the current processes for conducting investigations and adjudications of all categories of personnel, and then summarizes the key conclusions and recommendations of the Panel, concluding with proposed next steps.

## OVERVIEW OF CURRENT PROCESSES

Government vetting processes generally involve two distinct activities: *investigation activities* which include application and information collection; and *adjudication activities* which include information assessment and decision making. A security investigation is defined as any investigation required for eligibility to hold a sensitive national security position or access to classified information by military, civilian, or government contractor personnel performing work for, or on behalf of, the government.

The Review also addressed background investigations that support hiring, credentialing, suitability, and fitness decisions. OPM conducts approximately 95 percent of the total background investigations government-wide. There are 21 other agencies, many within the Intelligence Community authorized to conduct their own background investigations, which accounts for the remaining 5 percent.

There are different levels of investigation depending on the level of risk, position sensitivity, or access requirements. Clearance determinations remain valid for a specified number of years after the completion of the investigation. Periodic reinvestigation cycles established pursuant to Executive Order, are as follows<sup>1</sup>:

- Every 5 years for a Top Secret (TS) clearance or access to sensitive compartmented information (TS/SCI)
- Every 10 years for a Secret clearance
- Every 15 years for a Confidential clearance

Revised standards for suitability and national security investigations were approved by the PAC in 2012, and are in the process of being implemented. Full implementation is currently planned for 2017. The revised standards align investigative elements at each tier (see Appendix B) to promote efficiency, consistency, and employee and contractor mobility across different government agencies thereby improving reciprocity and reducing program costs. The standards at each level of investigation also now build upon, but do not duplicate one another. This ensures investigative requirements previously satisfied are not checked again just because an individual moves to a position requiring a higher level of investigation.

Investigations to support a Secret level security clearance include automated and manual checks of criminal history, terrorist activities, credit, and foreign activities and influence. When the checks identify issues of concern, additional checks, including interviews and other more manual efforts, are conducted as needed. TS/SCI investigations add non-automated checks, including

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<sup>1</sup> Executive Order 12968 "Access to Classified Information" signed August 2, 1995

interviews of the subject, employers, and social references, and collect information related to foreign influence and foreign preference.

Currently, OPM relies heavily on contract investigators to perform much of the information collection in the background investigation process. OPM then performs a quality review and assembles the completed investigation and transmits it to the requesting agency for adjudication. Non-OPM conducted investigations, largely in the Intelligence Community, also use a mix of contractors and Federal employees to gather information.

All adjudication decisions are inherently governmental functions and are conducted by Federal employees in the agency where the individual will be assigned. The agency adjudicator assigned to an investigation will review it using applicable guidelines relative to hiring, credentialing, and/or security clearance determinations. When determining eligibility for access to classified information, adjudicators use the National Security Adjudicative Guidelines to either make a favorable decision or to identify disqualifying information and deny or revoke the clearance.

Executive branch-wide policy directs agencies to minimize the number of employees and contractors with eligibility for access to classified information to the minimum required to conduct agency functions. Still, the number of clearance-eligible personnel is considerable, exceeding 5.1 million including civilian and military employees and contractors in Fiscal Year 2013 (See Table 1). Of that number, only 60 percent had access to classified information.<sup>2</sup>

**Table 1: Number of employees/contractors both eligible<sup>3</sup> and in access in FY2013 by clearance level**

	Confidential/Secret				Top Secret				Total Eligible
	Gov't	Contractor	Other	Total	Gov't	Contractor	Other	Total	
Eligible Staff*	2,886,106	558,626	175,859	3,620,591	851,920	497,683	180,185	1,529,788	<b>5,150,379</b>
% in access	41.7%	83.7%	82.2%	50%	76%	91%	98%	83.4%	<b>60%</b>

\*As of 10/1/13

Background investigations accrue significant expenses for agencies. Based on OPM current charges, Secret level investigations can cost between \$210-272 each, with TS/SCI level investigations costing an average of \$3,959. These costs add up: Executive Branch agencies spent \$1.6B in 2012 on Personnel Security Programs.<sup>4</sup>

<sup>2</sup> Individuals, such as those supporting the military or protecting our nation's most critical assets, may be determined eligible due to the sensitivity of their positions and the potential need for immediate access to classified information, but may not have access until the need arises

<sup>3</sup> By definition, military service members occupy National Security Positions. Therefore, all personnel entering the military are subject to the same investigations conducted for access to Secret information, even though they do not require a clearance eligibility determination.

<sup>4</sup> Agencies report security program expenditures annually to the Information Security Oversight Office. The "Personnel Security" category includes all expenses for investigations, reinvestigations, national agency record checks, clearance adjudications, and polygraphs.